

Hadassah Reimer  
Wyoming Bar No. 6-3825  
[hmreimer@hollandhart.com](mailto:hmreimer@hollandhart.com)  
HOLLAND & HART LLP  
25 South Willow St., Suite 200  
P.O. Box 68  
Jackson, WY 83001  
Phone 307-734-4517; Fax 307-739-9744

Joanna Vilos  
Wyoming Bar No. 6-4006  
[jvilos@hollandhart.com](mailto:jvilos@hollandhart.com)  
HOLLAND & HART LLP  
2515 Warren Avenue, Suite 450  
Cheyenne, WY 82001  
Phone 307-778-4200; FAX 307-778-8175

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF WYOMING**

**SALTAIR, INC.,**

**PLAINTIFF,**

**v.**

**I.S.T. GLOBAL, LLC, ET AL.,**

**DEFENDANTS.**

CIVIL ACTION NO. 10CV0157-J

**PLAINTIFF'S RESPONSE TO DEFENDANT'S MOTION FOR PROTECTIVE ORDER**

Defendant Ivgi has failed to cite, and indeed there is no authority holding, that discovery on damages must await a finding of liability in a trademark infringement case. This is for good reason. Especially where, as here, many of the facts underlying liability are uncontested, discovery on damages is essential to evaluation and resolution of the case.

Discovery on damages in this case is likely to involve confidential financial information. Protective orders are a recognized and effective means to prevent disclosure of any confidential information. Therefore, in order to address any concerns regarding disclosure of confidential financial information, Plaintiff twice forwarded to Defendant a two-tiered stipulated protective order for review and comment. Defendant failed to respond to the first proffer of a stipulated protective order, and upon receipt of the second communication indicated that he would not agree and would contest Plaintiff's efforts to access Defendant's financial information for purposes of proving damages. *See* Plaintiff's Motion to Compel Discovery, Exh. B [D.E. 40].

Defendant broadly asserts that Plaintiff is not entitled to an award of profits in this case, leaping to the unsupported conclusion that discovery on damages is unnecessary. This is inaccurate, and refuted even by the case Defendant offers in support, *Western Diversified Services, Inc. v. Hyundai Motor America, Inc.*, 427 F.3d 1269 (10th Cir. 2005). Accurately stated, *Western Diversified* requires a showing that the defendant willfully infringed the plaintiff's mark in order to recover profits *in the absence of actual damages*. *Id.* at 1273-74. To begin with, Plaintiff will show that it suffered actual damage. For example, Plaintiff suffered actual damage to its reputation and goodwill, which will be established through actual confusion evidence which shows that consumers believed that Defendant's establishment was associated with the authentic "Cool As A Moose" business and by showing that Defendant's products were of low quality and questionable taste.

However, even assuming willfulness may be required to recover profits, a finding of intentional infringement does *not*, as Defendant suggests, require an admission by a defendant

that he intended to infringe. *Western Diversified* allowed a presumption of intent where there had been a “deliberate adoption of a similar mark.” *Id.* at 1275. The Court considered two factors to determine “deliberate adoption,” namely (1) prior knowledge of the mark, and (2) the larger factual context of the case. *Id.* at 1275-77. With respect to prior knowledge, the Court determined that there was a “genuine factual dispute,” and looking at the larger factual context of the case noted that the “marks were not only similar to [Plaintiff’s], they were identical and referred to substantially similar products aimed at the same group of customers.” *Id.* at 1276-77. Therefore, the Court in *Western Diversified* concluded:

Considering the larger factual context of the case in conjunction with the factual dispute over [the Defendant’s] knowledge, we are compelled to presume that [the Defendant’s] deliberate adoption of two similar marks could lead to an inference that it intended to benefit from [the Plaintiff’s] goodwill.

*Id.* As in *Western Diversified*, the larger factual context of the case and the fact that the marks are identical and refer to “substantially similar products aimed at the same group of customers” may permit an inference of bad faith here. Thus, Defendant’s admission or lack thereof is simply not dispositive of the right to recover profits in this case, much less to the discoverability of factual information regarding Defendant’s alleged ill-gotten profits.

Therefore, Plaintiff respectfully requests that this Court deny Defendant’s motion for a protective order. Defendant’s Motion is intended to delay action and deny Plaintiff the ability to prosecute its case, blocking any hope for efficient adjudication of this lawsuit. Discovery on damages is relevant and appropriate at this point in the litigation and Defendant’s delay tactics should not be rewarded.

DATED: November 12, 2010

Respectfully submitted,

/s/ Amy Cahill

Amy Sullivan Cahill

(admitted *pro hac vice*)

Kentucky Bar No. 85554

[acahill@stites.com](mailto:acahill@stites.com)

STITES & HARBISON PLLC

400 West Market Street, Suite 1800

Louisville, KY 40202-3352

Telephone: 502-587-3400

Facsimile: 402-587-6392

Haley H.M. Dickerson

(admitted *pro hac vice*)

Kentucky Bar No. 91984

[hdickerson@stites.com](mailto:hdickerson@stites.com)

STITES & HARBISON PLLC

250 West Main Street, Suite 2300

Lexington, KY 40507-1735

Telephone: 859-226-2300

Facsimile: 859-253-9144

Hadassah Reimer  
Wyoming Bar No. 6-3825  
[hmreimer@hollandhart.com](mailto:hmreimer@hollandhart.com)  
HOLLAND & HART LLP  
25 South Willow St., Suite 200  
P.O. Box 68  
Jackson, WY 83001  
Telephone: 307-734-4517  
Facsimile: 307-739-9744

Joanna Vilos  
Wyoming Bar No. 6-4006  
[jvilos@hollandhart.com](mailto:jvilos@hollandhart.com)  
HOLLAND & HART LLP  
2515 Warren Avenue, Suite 450  
Cheyenne, WY 82001  
Telephone: 307-778-4200  
Facsimile: 307-778-8175

**ATTORNEYS FOR PLAINTIFF,  
SALT AIR, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on November 12, 2010, a true and correct copy of the foregoing was filed using the CM/ECF system which will automatically send email notification of such filing to the following attorneys of record:

Jessica Rutzick  
Wyoming Bar No. 6-3126  
[jrutzik@vincentandrutzick.com](mailto:jrutzik@vincentandrutzick.com)  
Vincent & Rutzick, LLC  
60 E. Simpson  
P.O. Box 4114  
Jackson, WY 83001  
Telephone: 307-733-8140  
Facsimile: 307-733-8139

/s/ Joanna R. Vilos  
Joanna R. Vilos

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